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San José Approves Downtown Development Project *CIM Group to revitalize downtown with new housing and shopping*

San Jose ---- The San José Redevelopment Agency Board approved a comprehensive agreement with the CIM Group for the development of more housing, retail, and parking at three sites in downtown San Jose.

“This is a great project, and the CIM Group has an excellent record both in San Jose and in other communities in delivering high quality projects that provide strong community benefits,” said San José Mayor Ron Gonzales. “They will be great partners with us as we continue our progress making downtown San José a vibrant and vital area to live, work and shop and attract more development in the future.”

The \$184.5 million project includes the construction of approximately 509 homes, 117,250 square feet of retail space (equivalent to 20 mid-sized stores), and approximately 845 parking spaces on three publicly-owned downtown sites currently used for surface parking.

CIM will fund \$148.2 million of the project cost, and the Redevelopment Agency will fund \$36.3 million.

The three sites include the parking lots at Fountain Alley at Second Street, at Second and Santa Clara streets, and at San Fernando between Second and Third Streets. Construction could begin as early as summer of 2003.

On the Fountain Alley site, CIM plans two four-story buildings with over 30,000 square feet of ground-floor retail, restaurants, and entertainment, and 100 apartments on the upper floors. The Second and Santa Clara site will feature two 4-to-6-story buildings with 17,000 square feet of retail space fronting Second Street and adjacent to Zanotto’s Market, along with 44 condominiums and 30 apartments. The agreement requires that twenty percent of the rental units be affordable.

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The San Fernando site is the most ambitious, with approximately 335 lofts and condominiums, with nearly half of the units included in a proposed 17-story high-rise residential tower. It also includes and approximately 68,000 square feet of ground-floor retail facing Second Street.

“This development fits remarkably well in downtown San José,” said John Given, Senior Vice President of the CIM Group. “It will provide new homes to approximately 750 residents, create opportunities to bring services essential to those residents and surrounding neighborhoods, and connect the rich collection of San José’s historic buildings and local businesses.”

To bring out the individuality of each building and block, CIM will hire different architectural firms for each of the three sites. CIM will also be required to follow the Agency’s Design Review Process, which states that the building designs be approved by the Agency Board at a public meeting at the end of the design phase.

In addition, a public outreach program led by the SJRA continues to solicit input from the general public, key downtown and community stakeholders, and public agencies to ensure that a wide cross-section of the community is included in the development process. To maximize the benefits of the project, the mayor’s office and the Agency will continue meeting with stakeholders to ensure the project addresses many citywide goals such as childcare and affordable housing.

As part of the agreement, CIM is also required to pay prevailing wage for all construction-related labor and participate in the Agency’s First Source Employment Program, which assists in identifying local residents for construction- and project-related jobs.

CIM Group is currently renovating the historic Twohy Building in Downtown San José, that includes 36 new loft apartments and 7,100 square feet of retail which includes Touchstone, a rock-climbing facility on the ground floor.

Other CIM projects include a large mixed-use project in downtown Los Angeles that will yield 1,300 newly constructed units of both for-rent and for-sale housing and over 70,000 square feet of neighborhood retail and restaurants in both new and existing buildings.

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